

DEPARTMENT OF CORPORATIONS*Business Services and Consumer and Investor Protection***Preston DuFauchard****California Corporations Commissioner****Sacramento, California**IN REPLY REFER TO:
FILE NO: PRO 09/09**NOTICE OF CHANGES TO PROPOSED AMENDMENTS OF RULES OF
THE CALIFORNIA CORPORATIONS COMMISSIONER UNDER THE
CORPORATE SECURITIES LAW OF 1968
(15-DAY COMMENT PERIOD)**

To Interested Persons:

On May 28, 2010, the California Corporations Commissioner published a Notice of Proposed Changes regarding the proposed amendments of Section 260.004.1 of the Commissioner's rules under the Corporate Securities Law of 1968 (see California Regulatory Notice Register, May 28, 2010, No. 22-Z).

Because the revised text of Section 260.004.1 differs from the text of the regulations dated April 26, 2010 a copy of the revised text is being made available to the public in accordance with the requirements of Government Code Section 11346.8(c). The text showing modifications to Section 260.004.1 is attached. Additions to this section are shown by double underlining and deletions are shown by double strike-out.

REASONS FOR CHANGES

The changes have been proposed to increase clarity with regard to persons that are disqualified from relying on the rule, and to provide for consistency with the federal rule.

The initial statement of reasons for the proposed action containing all the information upon which the proposal is based is available from the Office of Legislation and Policy, Sacramento Office of the Department of Corporations. Request Document PRO 09/09-C. This document is also available at the Department's website www.corp.ca.gov. As required by the Administrative Procedure Act, the Office of Legislation and Policy maintains a hearing file containing all the information upon which the proposal is based. The rulemaking file is available for public inspection during regular business hours. Comments or inquiries concerning these proposed regulation changes may be directed to Karen Fong or Tanya Bosch at (916) 322-3553.

♦ Securities ♦ Franchises ♦ Off-Exchange Commodities ♦ Investment and Financial Services ♦
♦ Independent Escrows ♦ Consumer and Commercial Finance Lending ♦ Residential Mortgage Lending ♦

SACRAMENTO 95814-4052
1515 K STREET, SUITE 200
(916) 445-7205SAN FRANCISCO 94105-2980
371 STEVENSON STREET, SUITE 2100
(415) 972-8559LOS ANGELES 90013-2344
320 WEST 4TH STREET, SUITE 750
(213) 576-7500SAN DIEGO 92101-3697
1350 FRONT STREET, ROOM 2034
(619) 525-4233

15-DAY COMMENT PERIOD

Any interested person may submit written comments regarding the changes from the originally proposed amendments by written communication addressed to the California Corporations Commissioner, Attn: Karen Fong, Staff Services Analyst, Office of Legislation and Policy, 1515 K Street, Suite 200, Sacramento, California 95814 and received on or before 5 p.m., October 21, 2010. Written comments may also be sent to Karen Fong via electronic mail at regulations@corp.ca.gov or via fax at (916) 322-5875.

The proposed changes to the Commissioner's rules in the text accompanying this notice are not yet effective, and will not be effective until approved by the Office of Administrative Law and filed with the Secretary of State in Accordance with Government Code Section 11349.3. Questions regarding the content of this notice may be directed to Karen Fong at (916) 322-3553.

Dated: October 6, 2010
 Sacramento, California